

the Director of Operations of the ITC stated that the EPI study in several ways misrepresents the work and the findings of the ITC's analysis.

I hope that this reply addresses your concerns. If you have any further questions, we would be happy to address them.

Sincerely,

CHARLENE BARSHEFSKY.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, there are no further amendments in order to H.R. 4444. Therefore, the 6 hours of debate time remain. It is my understanding that the debate time will be consumed tomorrow and Monday. Therefore, there are no further votes this evening. The next vote will be on Tuesday at 2:15 p.m. on passage of H.R. 4444.

I ask unanimous consent that all debate time allotted in the previous consent agreement be consumed or considered used when the Senate convenes on Tuesday, with the exception of 90 minutes for each leader to be used prior to 12:30 p.m.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROTH. Mr. President, I yield the floor.

Mr. GRAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. THOMPSON. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

BOY SCOUTS OF AMERICA

Mr. THURMOND. Mr. President, yesterday, the House of Representatives voted on a bill which would have repealed the Federal charter of the Boy Scouts of America. Fortunately, the bill received a mere twelve votes. However, even the consideration of such an absurd proposal concerns me tremendously.

I recognize that traditional values and institutions which uphold those values are under attack and considered out of date by some elements of our society. Unfortunately, the Boy Scouts of America is one of many fine organizations being challenged.

The Boy Scouts embody the beliefs on which the very foundation of this country was built. Since its inception in the early 1900s, this fine American institution has taught the young men

of our Country about the importance of doing one's duty to God, of serving others, and of being a responsible citizen, and has in turn provided this Nation with countless distinguished leaders.

I find it disappointing that at a time when the United States is in critical need of organizations that teach our youth character and integrity, some would choose to attack the Boy Scouts of America. Few fail to recognize the hurdles today's adolescents face. Confronted by obstacles that were unimaginable in my day, Boy Scouts provides young people with the knowledge, self confidence and willpower to do what is right in difficult situations.

I commend the Boys Scouts of America for its dedication to our youth, and reaffirm my commitment to its preservation.

MICROSOFT LITIGATION

Mr. BENNETT. Mr. President, I wish to call to the attention of my colleagues an article that appeared on September 1 in the Washington Post, written by Charles Munger, who is the vice chairman of Berkshire Hathaway, on the issue of the Microsoft litigation and the impact that will have in the marketplace.

As I have considered this particular issue, as I pointed out to my colleagues, I come to the Senate unburdened with a legal education but with a background in business. Here is a businessman commenting on the implications of this litigation in a way that I think others might find interesting.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 1, 2000]

A PERVERSE USE OF ANTITRUST LAW

(By Charles T. Munger)

As best I can judge from the Microsoft antitrust case, the Justice Department believes the following: that any seller of an ever-evolving, many-featured product—a product that is constantly being improved by adding new features to every new model—will automatically violate antitrust law if: (1) it regularly sells its product at one all-features-included price; (2) it has a dominant market share and (3) the seller plays "catch-up" by adding an obviously essential feature that has the same function as a product first marketed by someone else.

If appellate courts are foolish enough to go along with the trial court ruling in the Microsoft case, virtually every dominant high-tech business in the United States will be forced to retreat from what is standard competitive practice for firms all over the world when they are threatened by better technology first marketed elsewhere.

No other country so ties the hands of its strongest businesses. We can see why by taking a look at America's own history. Consider the Ford Motor Co. When it was the dominant U.S. automaker in 1912, a small firm—a predecessor of General Motors—invented a self-starter that the driver could use from inside the car instead of getting out to crank the engine. What Ford did in response was to add a self-starter of its own to its cars (its "one-price" package)—thus bol-

stering its dominant business and limiting the inroads of its small competitor. Do we really want that kind of conduct to be illegal?

Or consider Boeing. Assume Boeing is selling 90 percent of U.S. airliners, always on a one-price basis despite the continuous addition of better features to the planes. Do we really want Boeing to stop trying to make its competitive position stronger—as it also helps travelers and improves safety by adding these desirable features—just because some of these features were first marketed by other manufacturers?

The questions posed by the Microsoft case are (1) What constitutes the impermissible and illegal practice of "tying" a separate new product to a dominant old product and (2) what constitutes the permissible and legal practice of improving an existing one-price product that is dominant in the market.

The solution, to avoid ridiculous results and arguments, is easy. We need a simple, improvement-friendly rule that a new feature is always a permissible improvement if there is any plausible argument whatever that product users are in some way better off.

It is the nature of the modern era that the highest standards of living usually come where we find many super-successful corporations that keep their high market shares mostly through a fanatical devotion to improving one-price products.

In recent years, one microeconomic trend has been crucial in helping the United States play catch-up against foreign manufacturers that had developed better and cheaper products: Our manufacturers learned to buy ever-larger, one-price packages of features from fewer and more-trusted suppliers. This essential modern trend is now threatened by the Justice Department.

Microsoft may have some peculiarities of culture that many people don't like, but it could well be that good software is now best developed within such a culture. Microsoft may have been unwise to deny that it paid attention to the competitive effects of its actions. But this is the course legal advisers often recommend in a case such as this one, where motives within individuals at Microsoft were mixed and differed from person to person. A proper antitrust policy should not materially penalize defendants who make the government prove its case. The incumbent rulers of the Justice Department are not fit to hold in trust the guidance of antitrust policy if they allow such considerations of litigation style to govern the development of antitrust law, a serious business with serious consequences outside the case in question.

While I have never owned a share of Microsoft, I have long watched the improvement of its software from two vantage points. First, I am an officer and part owner of Berkshire Hathaway Inc., publisher of the World Book Encyclopedia, a product I must admire because I know how hard it was to create and because I grew up with it and found that it helped me throughout a long life.

But despite our careful stewardship of World Book, the value of its encyclopedia business was grossly and permanently impaired when Microsoft started including a whole encyclopedia, at virtually no addition in price, in its software package. Moreover, I believe Microsoft did this hoping to improve its strong business and knowing it would hurt ours.

Even so, and despite the huge damage to World Book, I believe Microsoft was entitled to improve its software as it did, and that our society gains greatly—despite some damage to some companies—when its strong businesses are able to improve their products enough to stay strong.